

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CUMBERLAND VALLEY RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR A)	
CERTIFICATE OF CONVENIENCE AND NECESSITY TO)	
CONSTRUCT ADDITIONAL LINES AND FACILITIES)	CASE NO.
AND TO EXECUTE ITS NOTE TO NATIONAL RURAL)	96-221
UTILITIES COOPERATIVE FINANCE CORPORATION)	
IN THE AMOUNT OF \$2,015,000)	

I N T E R I M O R D E R

Cumberland Valley Rural Electric Cooperative Corporation ("Cumberland Valley") filed its application on June 24, 1996 for a Certificate of Public Convenience and Necessity to construct certain improvements and additions to its existing plant, for approval to borrow \$2,015,000 from the National Rural Utilities Cooperative Finance Corporation ("CFC"), and to execute its notes to secure such loan. In support of its application, Cumberland Valley filed its 1996-1998 Work Plan which describes in detail the improvements and additions to its plant that are required over the next 3 years to serve its load.

Cumberland Valley seeks authorization to construct extensions and additions to its plant as follows:

Distribution Facilities	\$ 862,700
Member Service Extensions	4,450,278
Increased Capacity to Existing Consumers	240,595
Security Lights	513,650
Ordinary Replacements Subject to Loan Funds	315,360
Sectionalizing Equipment	254,550
Voltage Regulators	60,000
Capacitors	<u>19,900</u>
TOTAL	<u>\$6,717,033</u>

The proposed construction will enable Cumberland Valley to continue to provide adequate and dependable electric service to its consumers. The system improvements recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, and provide for improved service reliability.

Cumberland Valley indicated that it planned to borrow all necessary funds from the Rural Utilities Service ("RUS") and the CFC. Cumberland Valley's application with RUS is pending. CFC has approved the financing, but has indicated it will finalize the loan documents after RUS approval.

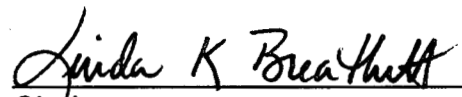
Based on the application and supporting 1996-1998 Work Plan, and being advised, the Commission finds that the proposed improvements and additions to be constructed by Cumberland Valley are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

IT IS THEREFORE ORDERED that:

1. Cumberland Valley is granted a Certificate of Public Convenience and Necessity to construct the facilities described in its 1996-1998 Work Plan.
2. Cumberland Valley's application for authorization to borrow \$2,015,000 from the CFC and to execute notes to secure each loan is continued generally.
3. Within 10 days of its receipt of final loan approval, Cumberland Valley shall notify the Commission in writing of the final loan approvals received from the RUS and CFC.

Done at Frankfort, Kentucky, this 15th day of October, 1996.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director